

POLICE FIRE CITIZEN'S TASK FORCE

May 20, 2009 – 6:00 p.m.

4th Floor Conference Room, Busch Municipal Building

PRESENT: Jerry Fenstermaker – Chairman, Jerry Harmison – Vice Chairman, Lorenzo Baldwin, Mary Beth Daniels, Gordon Elliott, Carl Herd, Ken Homan, Bob Horton, Danny Hyde, James Jeffries, Bob Jones, Peggy Kubicek, Charles Munsey, Craig Wagoner, Lloyd Young

CITY COUNCIL MEMBERS: John Rush

CITY STAFF LIAISONS: Greg Burris – City Manager, Evelyn Honea – Deputy City Manager, Collin Quigley – Assistant City Manager, Dan Wichmer – City Attorney, Louise Whall - Director of Public Information, Mary Mannix Decker – Director of Finance, Sharon Smith – City Manager's Office

ABSENT:

Minutes from May 13 meeting were reviewed by Committee. Mr. Bob Horton made a motion to accept minutes as is. Mr. Danny Hyde seconded. Minutes approved.

Mr. Joe Haslag with Show-Me Institute, a nonprofit Missouri Think Tank Organization that focuses on free-market ideas, spoke briefly and encouraged the Task Force to find a solution that best serves the future of the City of Springfield. He did not provide or recommend any solutions from his perspective.

Mr. Greg Burris presented City of Springfield's Proposed Budget Overview for Fiscal Year 2009-10. (Report attached). The impact of the recommended budget cuts Mr. Burris is presenting to City Council was reviewed with the Task Force in more detail.

Mr. Greg Burris next presented a report prepared by the City staff. This report consists of responses to the "Burning Issues" questions that the Task Force members have raised since the first Task Force meeting. (Report attached). Mr. Burris noted some questions could not be answered by the City staff and as part of the charge of this Task Force, this committee must consider all options to determine a resolution.

Mr. Burris stated that he believes there are four major elements that have contributed to the current Police Fire Pension underfunding issue.

- City underfunded the plan for four years a total of \$10.2 million (in current value), but that has since been made whole by the AT & T settlement.
- Actuarial assumptions changed in 2004 which impacted the Actuarial Recommended Contribution going forward
- Tier I pension benefits were added in lieu of larger raises

- Market returns for pension funds have been less than expected since 2000

Mr. Burris asked Dan Wichmer to give the City's viewpoint of the term "wrong" as described in Question #3 from "Questions raised from 5/6/09 Presentation", located on Page 38 of the report. Mr. Wichmer feels the pension fund has not been done "wrong", but short-sighted.

Mr. Fenstermaker thanked Mr. Burris and his staff for the helpful answers to some of the questions. He stated that there has been more time allotted during the May 21 meeting if the Task Force has more questions for City staff.

Meeting was adjourned at 8:15 p.m.